

FIML NATURAL RESOURCES, LLC

May 29, 2008

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Mason

RE: Ute Tribal 13-16-1319
SWSW Sec 16 T-13S, R-19E
Uintah County, Utah

Dear Ms. Mason:

Enclosed is one original Application for Permit to Drill for the above referenced well.

FIML (FNR) Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

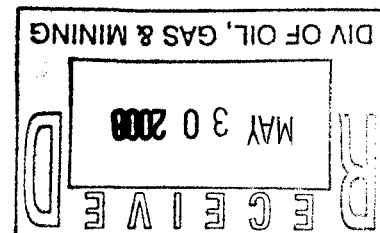
If any questions arise or additional information is required, please contact me at 303-893-5090 or Cassandra.parks@fmr.com.

Sincerely,



Cassandra Parks
Regulatory Specialist

/cp
Enclosures:



Form
(August 2004)

**UTE INDIAN TRIBE
DEPARTMENT OF ENERGY AND MINERALS
APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM
Approved August 2004

5. Lease Serial No. or EDANo.
EDA Number UIT-EDA-001-000

6. Tribe Name
Ute

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
Ute Tribal 13-16-1319

9. API Well No.
43-047-40098

10. Field and Pool, or Exploratory
Undesignated

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 16, T-13S R-19E

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
FIML Natural Resources, LLC

3a. Address **410 17th St., 9th Floor, Denver, CO 80202**

3b. Phone No. (include area code)
(303) 893-5073

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface **SW/4 SW/4 561' FSL & 722' FWL Sec 16 T-13S R-19E**

At proposed prod. zone **Same 602778X 39.680544 43927794 -109.801553**

14. Distance in miles and direction from nearest town or post office*
40 miles south southwest of Ouray, Utah

12. County
Uintah

13. State
UT

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

561'

16. No. of acres in lease
640

17. Spacing Unit dedicated to this well
40 Acres

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
5400'

20. State Bond #
8193-15-93

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,433' GL

22. Approximate date work will start*
06/15/2008

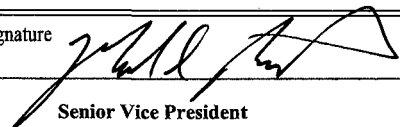
23. Estimated duration
15 days

24. Attachments

The following shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Such other site specific information and/or plans as may be required by the Energy and Minerals Department.

25. Signature



Name (Printed/Typed)

Mark D. Bingham

Date

05/20/2008

Title

Senior Vice President

Approved by (Signature)

Name (Printed/Typed)

Date

Title

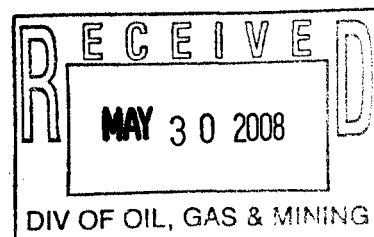
Tribal Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: **07-09-08**

By: 



T13S, R19E, S.L.B.&M.

WEST - 5302.44' (G.L.O.)

UTE/FNR, LLC.

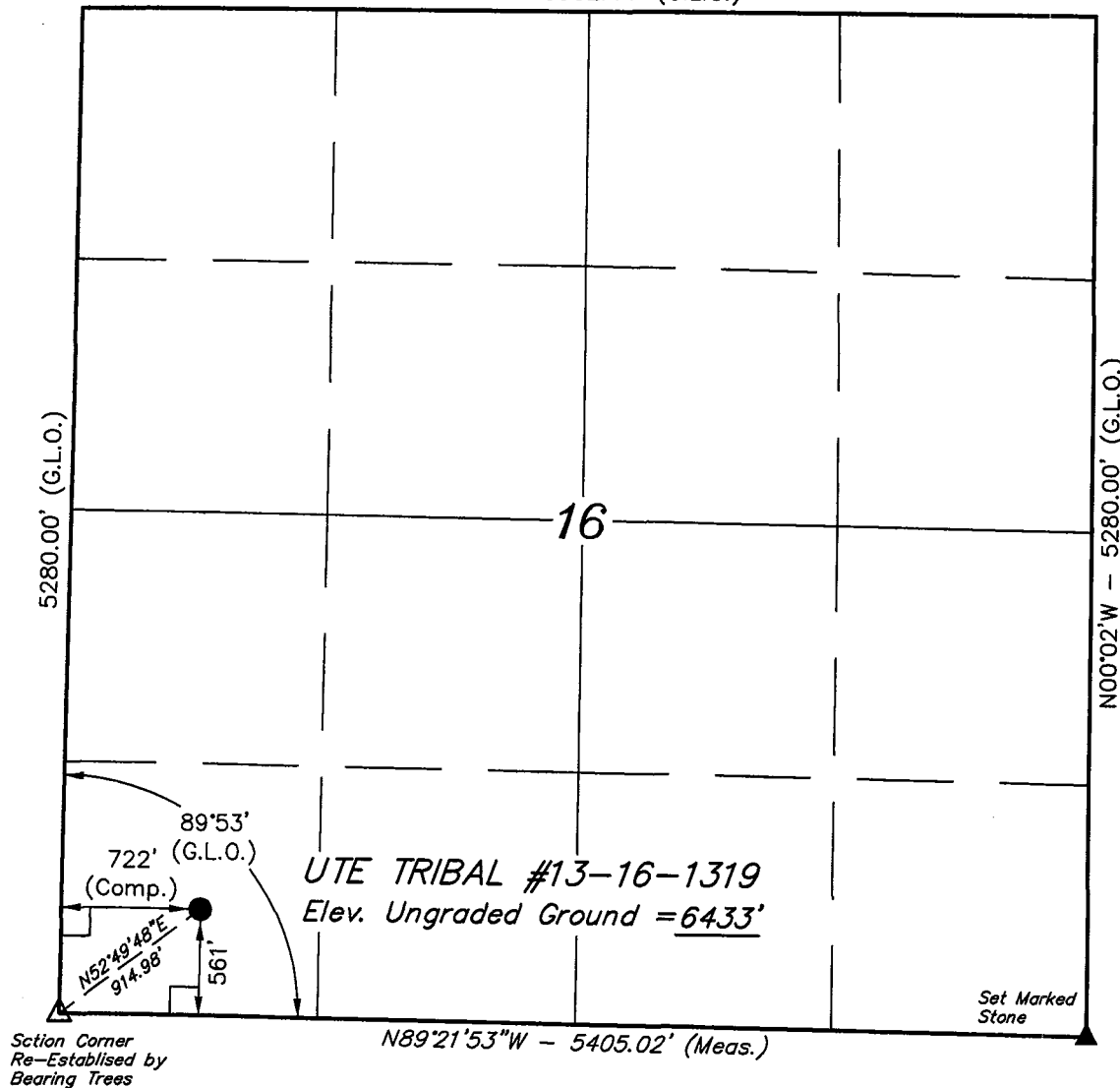
Well location, UTE TRIBAL #13-16-1319, located as shown in SW 1/4 SW 1/4 of Section 16, T13S, R19E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (47 WF) LOCATED IN THE NW 1/4 OF SECTION 22, T13S, R19E, S.L.B.&M. TAKEN FROM THE DOG KNOLL QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6473 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



LEGEND:

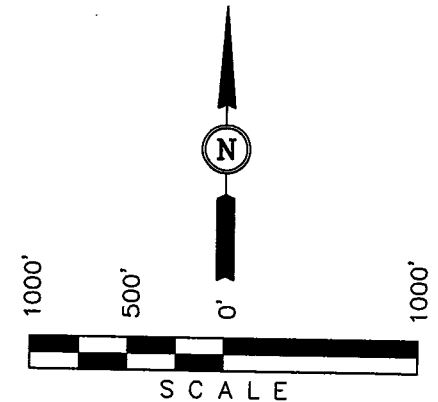
L = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

Δ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground.)

(NAD 83)
LATITUDE = 39°40'50.41" (39.680669)
LONGITUDE = 109°48'10.54" (109.802928)
(NAD 27)
LATITUDE = 39°40'50.54" (39.680706)
LONGITUDE = 109°48'07.50" (109.802083)



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MATERIAL WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT, TO
THE BEST OF MY KNOWLEDGE AND BELIEF.

AT THE ... REPAIR
 AL SUFFE ... UNDER
 THE ... ARE TRUE AND CORRE
 RE ... BEL
 No. 161319
 ROBERT L. RAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE
1" = 1000'

DATE SURVEYED: 04-23-08	DATE DRAWN: 05-02-08
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PARTY	S.H.	T.P.	C.C.
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REFERENCES
G.L.O. PLAT

WEATHER	COOL
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FILE
UTE/FNR, LLC.

RECEIVED

JUL 01 2008

DIV. OF OIL, GAS & MINING

RECEIVED

2008

DIV. OF OIL, GAS & MINING

UTE/FNR LLC
410 17th Street, Suite 900
Denver, Colorado 80202

Standard Operating Practices
Revised November 18, 2005

Naval Oil Shale Reserve #2
Drilling Through the Top of the Mesa Verde Formation
Uintah County, Utah

Drilling Program

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

UTE/FNR LLC is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

Details of the on-site inspection, including the day and time, the weather conditions, and all attending individuals will be submitted with the site specific APD.

BLM Notification Requirements:

Location Construction:	48 hours prior to construction of location and access roads.
Location Completion:	Prior to moving the drilling rig to the location.
Spud notice:	At least 24 hours prior to spudding the well.
Casing String & Cementing:	24 hours prior to running casing and cementing each casing string.
BOP & Related Equipment Tests:	At least 24 hours prior to initiating pressure tests.
First Production Notice:	Within 5 days after production from a new well begins or production resumes after an existing well has been off production for more than 90 days.

In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Ute Tribe Energy and Minerals Department, but such approval does not waive the written report requirement.

1. **Estimated Tops of Geological Markers:**

The site specific APD will list the expected formations and their respective estimated depths.

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the Ute Tribe Energy and Minerals Department.

All water shows and water bearing zones will be reported to the geologic/engineering staff of the Ute Tribe Energy and Minerals Department prior to running the next string of casing or before plugging orders are requested. Filing of the State of Utah form 7 Report of Water Encountered is optional.

All water shows will be reported within one (1) business day after being encountered.

Detected water flows will be sampled, analyzed, and reported to the geologic/engineering staff of the Ute Tribe Energy and Minerals Department. Additional water samples for further analysis will be provided upon request.

The following information will be provided for water shows and samples where applicable:

Location	Date Sampled
Sampled Interval	Temperature
Hardness	pH
Flow Rate	

State of Utah Water Classification

Dissolved Iron (Fe) (ug/l)	Dissolved Calcium (Ca) (mg/l)
Dissolved Magnesium (Mg) (mg/l)	Dissolved Sodium (Na) (mg/l)
Dissolved Bicarbonate (NaHCO ₃) (mg/l)	Dissolved Carbonate (CO ₃) (mg/l)
Dissolved Sulfate (SO ₄) (mg/l)	Dissolved Chloride (Cl) (mg/l)
Dissolved Total Solids (TDS) (mg/l)	

3. **Pressure Control Equipment:** (Schematic Attached)

UTE/FNR LLC's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2,000 psi system. Chart recorders will be used for all pressure tests.

Test charts, with individual test results identified, will be maintained on location while drilling and shall be made available to a Ute Tribe Energy and Minerals Department representative upon request.

All required BOP tests and/or drills will be recorded in the IADC report.

The anticipated bottom hole pressure will be less than 2,500 psi.

4. **Proposed Casing and Cementing Program:**

The proposed Casing Program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Type</u>	<u>Conn</u>	<u>Weight (lb/ft)</u>
Surface	1,500'+/-	12-1/4"	8-5/8"	J-55	ST &C	24.0
Production	TD	7-7/8"	4-1/2"	I-80	LT &C	11.6

The proposed casing and cementing program will be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement will receive approval prior to use. The casing setting depth will be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during drilling operations. Determination of casing setting depth will be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, will be new.

The surface casing will be cemented back to the surface either during the primary cement job or by remedial cementing.

All waiting on cement times will be adequate to achieve a minimum of five hundred (500) psi compressive strength at the casing shoe prior to drilling out.

As a minimum, usable water zones below the surface casing will be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If Gilsonite is encountered while drilling, it will be isolated and/or protected via the cementing program.

Surface casing will have centralizers on the bottom three joints, with a minimum of one (1) centralizer per joint.

Production casing will have one centralizer 10'-15' above the guide shoe, one centralizer directly below the float collar, and one centralizer on every other joint up to 100' above any potential pay zone.

Top plugs will be used to reduce contamination of cement by the displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, will be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor will be pressure tested to 0.22 psi per foot of casing string length or to 1,500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.

The cementing program will be as follows:

<u>Surface</u>	<u>Cement Fill</u>	<u>Type and Amounts</u>
0'-1,500'	1,500'	<p>Lead Slurry: 150+/- sks Class "G" Light Cement containing 16% gel, 10.0 lbs/sack Gilsonite, 3.0% salt, 3.0 lbs/sack GR-3 and 0.25 lbs/sack Flocele. Wt: 11.0 lbs/gal. Yield: 3.82 ft³/sk. Mix Water Ratio: 23.0 gals/sack. Calculated at 1,000' of fill with 40% excess.</p> <p>Tail Slurry: 230+/- sks Class "G" Cement with 0.25 lbs/sack Flocele. Wt: 15.8 lbs/gal. Yield: 1.15 ft³/sk. Mix Water Ratio: 5.0 gals/sk. Calculated at 500' of fill with 20% excess.</p> <p>If cement is not circulated to surface or does not remain at surface, a "top out" job will be performed with Class "G" Cement containing 3.0% CaCl₂ and 0.25 lbs/sack Flocele. Wt: 15.8 lbs/gal. Yield: 1.15 ft³/sk. Mix Water Ratio: 5.0 gals/sk.</p>

<u>Production</u>		<u>Type and Amounts</u>
0'- T.D.	+/-2,500'	<p>Lead Slurry: CBM Light Cement containing 10.0 lbs/sack Gilsonite and 0.25 lbs/sack Flocele. Wt: 10.5 lbs/gal. Yield: 4.29 ft³/sk. Mix Water Ratio: 26.05 gals/sk. Calculated at 1,500' of fill (1,000' of fill in open hole plus 500' of fill in 8-5/8"/4-1/2" annulus) with 35% excess in open hole and no excess in 8-5/8"/4-1/2" annulus.</p> <p><i>110 @ 4.29</i></p>
+/-2,500'-T.D.	T.D. - +/-2,500'	<p>Tail Slurry: 50/50 Poz/Premium AG Halliburton Cement containing 2.0% Bentonite, 0.6% Halad R-322, 2.0% Microbond, 5.0% salt, and 0.2% Super CBL. Wt: 14.25 lbs/gal. Yield: 1.25 ft³/sk. Mix Water Ratio: 5.45 gals/sk. Calculated fill plus 35% excess.</p> <p><i>625 @ 1.25</i></p>

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Ute Tribe Energy and Minerals Department will be notified, with sufficient lead time, in order to have a Ute Tribe Energy and Minerals Department representative on location while running all casing strings and cementing.

After cementing the surface casing and prior to commencing any test, UTE/FNR LLC will wait long enough for the cement to have at least a compressive strength of 500 psi at the shoe. WOC time will be recorded in the Driller's log.

The spud date will be shown on the first report that is submitted.

A Sundry Notice, Form 3160-5 will be filed with the Ute Tribe Energy and Minerals Department within 30 days after the work is completed. It will contain the following information:

The setting of each string showing the size, grade, weight of casing set, setting depth, amounts and types of cement used, whether the cement was circulated to surface or the top of cement behind casing, the depth of cementing tools used, casing testing methods and results, and the date the work was done.

The following auxiliary well equipment will be used:

A 2" choke manifold and pit level indicator.

An upper Kelly Cock will be kept in the drilling string at all times.

A float will be used in the bit at all times.

A stabbing valve will be available on the rig floor and will fit all rotary connections.

PVT and flow line sensor will be installed before drilling out from under surface casing. Monitoring equipment will be located on rig floor, tool pusher's living quarters and UTE/FNR LLC well site supervisor living quarters.

5. **Drilling Fluids Program:**

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Description</u>
0'-1,500'	Air – 8.4	27 - 35	N/A	Air Mist
1,500-T.D.	8.6 – 9.0	35 - 40	10 – 12 cc	KCL/Gel/Water

There will be sufficient mud inventory on location during drilling operations to control any adverse conditions which may arise.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system without prior Ute Energy and Minerals Department approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in any amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of in the annulus in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.. Furthermore, no hazardous substances, as defined in 40 CFR 355, in

threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.

6. Evaluation Program:

Daily drilling and completion progress reports will be submitted to the Ute Energy and Minerals Department on a weekly basis.

Logging Program:

Compensated Density/Neutron Log; Dual Induction log. These two open hole logs will be run from Total Depth to the base of the surface casing. A Micro log, Sonic log, FMI log, or MRI log may be run on occasion.

A cement bond log (CBL) will be run from plug back total depth within the casing to the top of cement and it will be utilized to determine the bond quality for the production casing. A final copy of the CBL will be submitted to the Ute Energy and Minerals Department.

Deviation Surveys:

Surveys will be run at least every five-hundred (500) feet. Surveys will also be taken on every trip.

Mud Logger:

A manned/un-manned mud-logging unit will be on location from 200' above the first anticipated pay zone to Total Depth.

Sampling:

Dry samples will be taken every thirty (30) feet from the depths that are mud-logged. All samples with any type of shows will be saved for one (1) year.

Drill Stem Tests;

All Drill Stem Tests (DST) will be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Ute Energy and Minerals Department. DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor proof for safe conditions). Packers can be released, but tripping will not begin before daylight unless prior approval is obtained from the Ute Energy and Minerals Department.

Cores:

When necessary.

Completion:

The "Well Completion and Re-Completion Report and Log" (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164, whether the well is completed as a dry hole or a producer. One copy of all logs, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4.

Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Ute Energy and Minerals Department.

7. **Abnormal Conditions:**

No abnormal conditions are anticipated in the Upper Mesa Verde/Wasatch zones.

8. **Anticipated Starting Dates and Notification of Operations:**

Drilling Activity:

Drilling activity will begin after the site specific APD has been approved, the access road and location have been built, and a drilling rig contracted.

When possible, the surface hole will be drilled and surface casing set and cemented with a rathole rig. The drilling rig will move in after surface casing has been set and will drill the hole to Total Depth. Approximately ten (10) working days will be required to drill the hole including the surface hole operations.

Longstring cement will set for a minimum of 72 hours. Well completion operations should take approximately seven (7) working days.

Notification of Operations:

The Ute Energy and Minerals Department will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m. – 4:30 p.m., Monday – Friday except holidays).

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from the well to be placed in suspended status without prior approval from the Ute Energy and Minerals Department. If operations are to be suspended, prior approval of the Ute Energy and Minerals Department will be obtained and notification given before resumption of operations.

A completion rig will be used for completion operations.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

UTE/FNR LLC will report production data to the Ute Energy and Minerals Department and the State of Utah Oil, Gas and Mining Division. Production reporting will start with the month in which operations commence and continue each month until the well is physically plugged and abandoned.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the Ute Energy and Minerals Department will be notified when the well is placed in a producing status. Such notification will be sent by written communication no later than 5 days following the date when the well is placed on production.

Produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the Ute Energy and Minerals Department.

Pursuant to NTL-4A, UTE/FNR LLC is authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the Ute Energy and Minerals Department and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram will be submitted to the Ute Energy and Minerals Department within 60 days of installation or first production, whichever occurs first. All site security regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Well abandonment operations will not be commenced without the prior approval of the Ute Energy and Minerals Department. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Ute Energy and Minerals Department. A "Subsequent Report of Abandonment will be filed with the Ute Energy and Minerals Department within 30 days following completion of the well for abandonment. The report will indicate placement of the plugs and current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the APD or approved abandonment notice has been completed to the satisfaction of the Ute Energy and Minerals Department.

UTE/FNR LLC will ensure that its exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws, to the extent to which they are applicable on Indian lands.

9. Other Information:

All loading lines will be placed inside the berm surrounding the tank battery for new locations, and as existing locations are maintained.

All off-lease storage, off-lease measurement, or co-mingling on-lease or off-lease will have prior written approval from the Ute Energy and Minerals Department.

The gas meter will be calibrated and any production tank will be strapped in place prior to any deliveries of gas or oil. Tests for meter accuracy will be conducted following the initial installation or following any repair and at least quarterly thereafter. The Ute Energy and Minerals Department will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Ute Energy and Minerals Department. All measurement facilities will conform to API and AGA standards, Onshore Oil & Gas Order No. 4, and Onshore Oil & Gas Order No. 5 for natural gas and liquid hydrocarbon measurements.

Deviations from the proposed drilling and/or workover program will be approved by the Ute Energy and Minerals Department. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.

Form 3160-5 "Sundry Notice and Report in Wells" will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

In accordance with Section 102 (b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of Title 43 CFR 3162.4-1(c), "not later than the 5th business day after any well begins production on which royalty is due anywhere on the lease site or allocated to a lease site, resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the Ute Energy and Minerals Department by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

SELF CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 13-16-1319
SW/4 SW/4 561' FSL 722' FWL Sec 16, T-13S, R-19E, S.L.B.&M.
EDA Number UIT-EDA-001-000
Uintah County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.

A handwritten signature in black ink, appearing to read "Rick Parks", with a long horizontal flourish extending to the right.

Rick Parks
Operations Manager
FIML Natural Resources, LLC
410 17th Street
9th Floor
Denver, Colorado 80202
(303) 893-5073

UTE/FNR LLC
Managed and Operated by FIML Natural Resources, LLC

Ute Tribal 13-16-1319
SW/4 SW/4 561' FSL 722' FWL Section 16 T-13S R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

DRILLING PROGRAM

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

UTE/FNR LLC is responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

1. Estimated Tops of Geological Markers:

Formation	Depth
Green River	Surface
Wasatch	2,404'
Mesa Verde	5,099'
Total Depth	5,400'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:

Substance	Formation	Depth
Oil/Gas	Wasatch	2,404'
Oil/Gas	Mesa Verde	5,099'

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the Ute Tribe Energy and Minerals Department.

All water shows and water bearing zones will be reported to the Ute Tribe Energy and Minerals Department within one (1) business day after being encountered. Filing of the State of Utah form 7 Report of Water Encountered is optional.

3. Pressure Control Equipment:

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

4. **Proposed Casing and Cementing Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

5. **Drilling Fluids Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

6. **Evaluation Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

7. **Abnormal Conditions:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

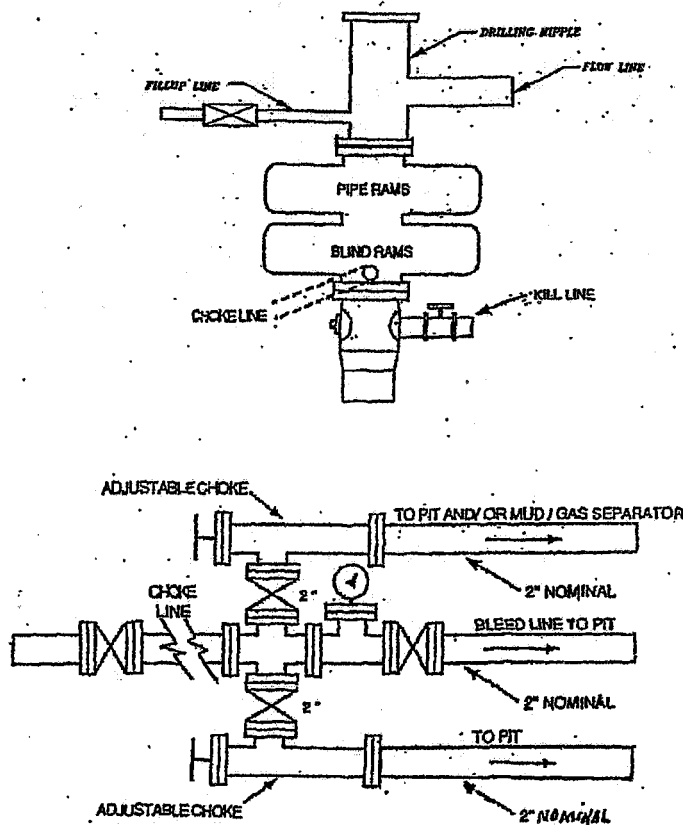
8. **Anticipated Starting Dates and Notification of Operations:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

9. **Other Information:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

3M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS
BOP: 11" X 3000 PSI W.P.



UTE/FNR LLC
Managed and Operated by FIML Natural Resources, LLC

Ute Tribal 13-16-1319
SW/4 SW/4 561' FSL 722' FWL Section 16 T-13S R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads

- A. Proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88. Turn left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed south out of Ouray for 9.1 miles to the Seep Ridge Road. Turn right and follow Seep Ridge Road in a southerly direction approximately 4.0 miles to the Black Bridge. Cross the Black Bridge and turn left. Proceed in a southerly direction for approximately 27.7 miles. Turn right and follow the access road approximately 1.3 miles to the new access road for the Ute Tribal 13-16-1319. Proceed 0.35 miles on the new access road to the Ute Tribal 13-16-1319 location.
- B. The proposed well site is located approximately 40.8 miles south southwest of Ouray, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. Planned Access Roads

See Topographic Map “B” for the location of the proposed access road.

3. Location of existing wells within a one mile radius of proposed well location

See Topographic Map “C” for the location of existing wells within a one-mile radius.

4. Location of Existing and /or Proposed Facilities

Please refer to UTE/FNR LLC Standard Operating Practices (SOP
Version: November 18, 2005).

5. Location and Type of Water Supply

- A. Water supply will be from the Ute Tribal 5-27-1319 water well. The Ute Indian Tribe Water Permit number is EMD-WSP-001-000 and the well is located in Section 27, T-12S, R-19E, Uintah County, Utah.
- B. Water will be hauled by Ute Tribal Water Service.

6. Source of Construction Materials

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

7. Method of Handling Waste Materials

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

8. Ancillary Facilities

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

9. Well Site Layout

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

10. Plans for Restoration of the Surface

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

11. Surface Ownership

Access Road: Ute Indian Tribe
Location: Ute Indian Tribe

12. Other Information

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

13. Operator's Representative and Certification

Name: Rick Parks

Address: 410 17th Street
9th Floor
Denver, Colorado 80202

Phone No. 303-893-5081


Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved.

5/20/08
Date


Rick Parks
Operations Manager
FIML Natural Resources, LLC

EPA's LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide waste
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

UTE/FNR, LLC.
UTE TRIBAL #13-16-1319
LOCATED IN UINTAH COUNTY, UTAH
SECTION 16, T13S, R19E, S.L.B.&M.

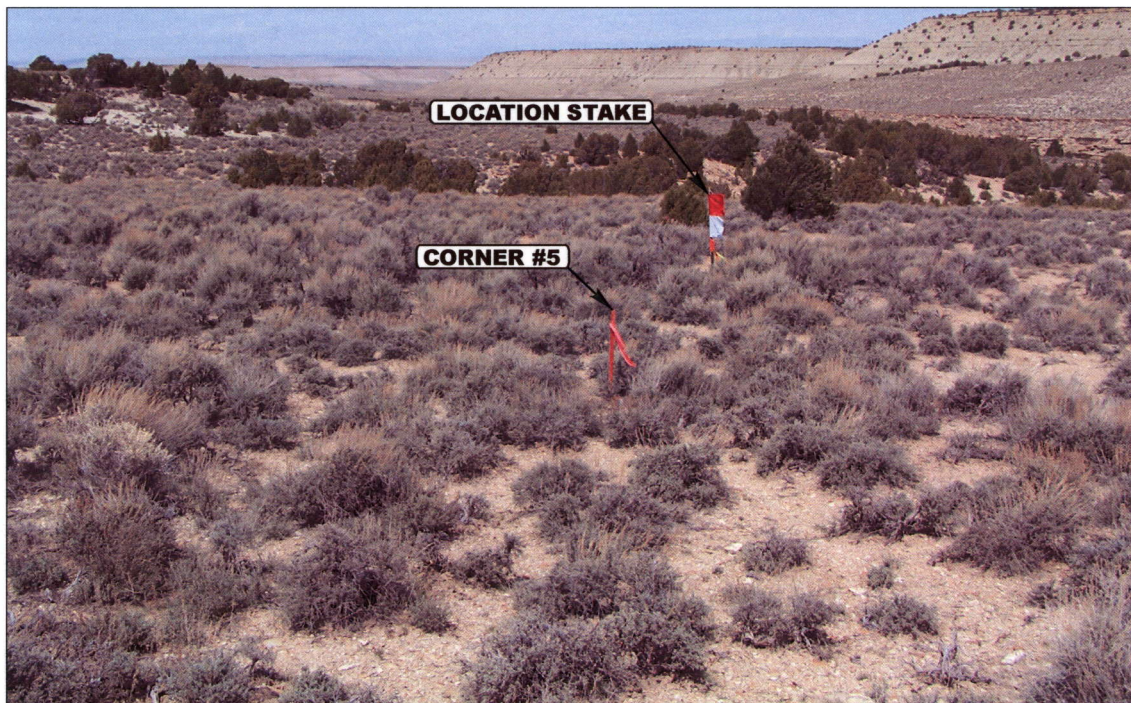


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

U **E** **L** **S** **U**intah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

05 **06** **08**
MONTH DAY YEAR

PHOTO

TAKEN BY: S.H.

DRAWN BY: Z.L.

REVISED: 00-00-00

UTE/FNR, LLC.

FIGURE #1

LOCATION LAYOUT FOR

UTE TRIBAL #13-16-1319
SECTION 16, T13S, R19E, S.L.B.&M.

561' FSL 722' FWL

Existing Drainage

Proposed Access Road

C-8.5'
El. 39.8'

F-6.2'
El. 25.1'

Topsoil Stockpile

SCALE: 1" = 50'
DATE: 05-02-08
DRAWN BY: C.C.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Reserve Pit Backfill & Spoils Stockpile

Approx. Top of Cut Slope

Flare Pit

C-5.6'
El. 36.9'

C-25.5'
El. 46.8'
(Btm. Pit)

Total Pit Capacity
W/2' of Freeboard
= 12,810 Bbls. ±
Total Pit Volume
= 3,590 Cu. Yds.

RESERVE PITS
(10' Deep)

10' WIDE BENCH

C-38.2'
El. 59.5'
(Btm. Pit)

TRASH

C-17.1'
El. 48.4'

C-8.8'
El. 40.1'

Sta. 1+60

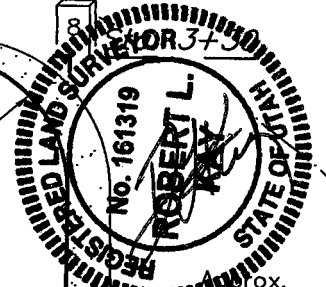
F-9.3'
El. 22.0'

Sta. 0+50

Sta. 0+00

F-11.7'
El. 19.6'

Topsoil Stockpile



Approx. Toe of Fill Slope

Elev. Ungraded Ground at Location Stake = 6432.6'

Elev. Graded Ground at Location Stake = 6431.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

UTE/FNR, LLC.

TYPICAL CROSS SECTIONS FOR

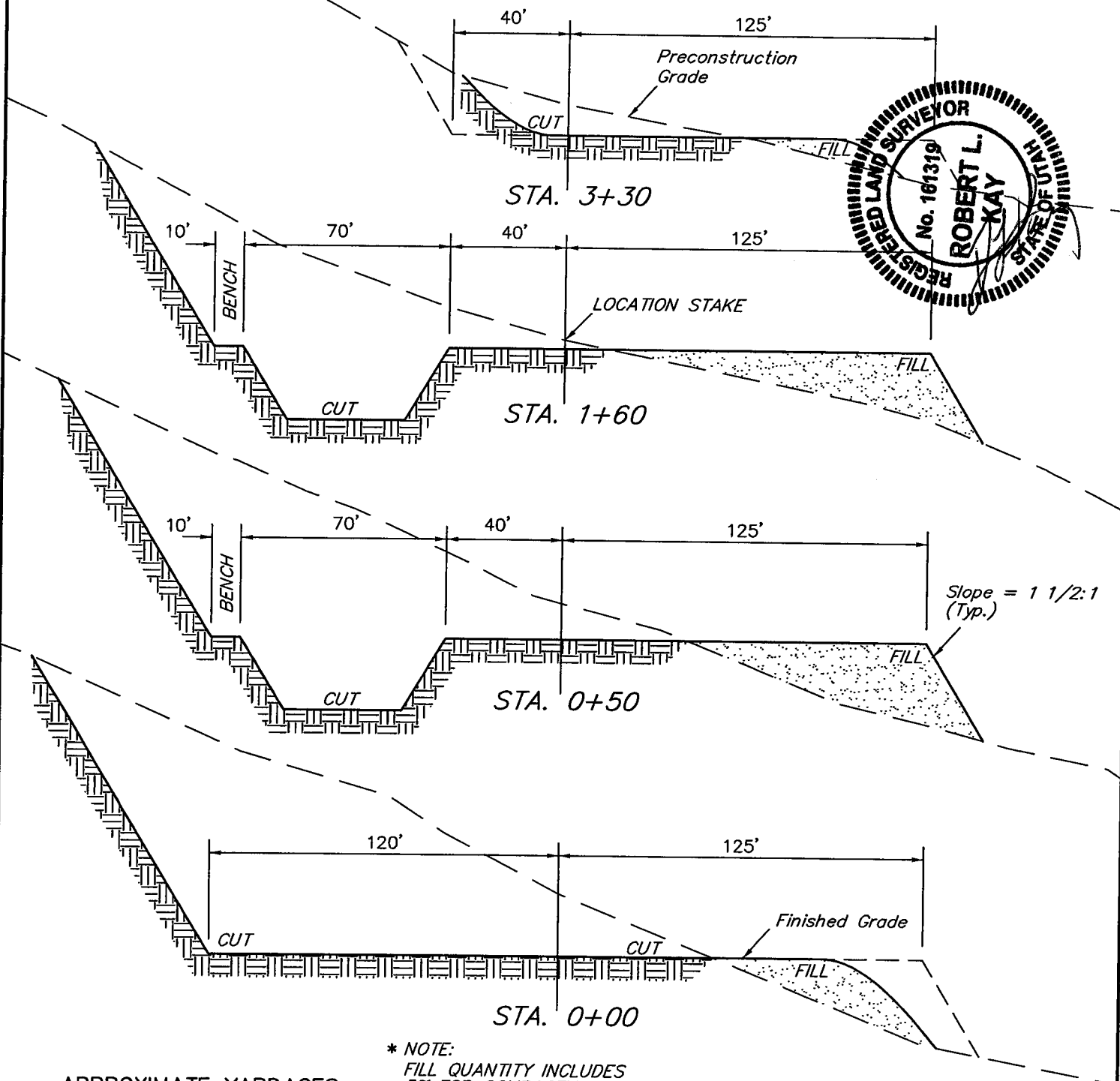
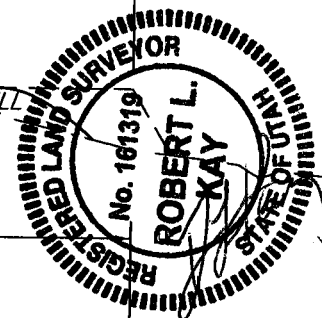
UTE TRIBAL #13-16-1319
SECTION 16, T13S, R19E, S.L.B.&M.
561' FSL 722' FWL

FIGURE #2

NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

1" = 20'
X-Section Scale
1" = 50'
DATE: 05-02-08
DRAWN BY: C.C.



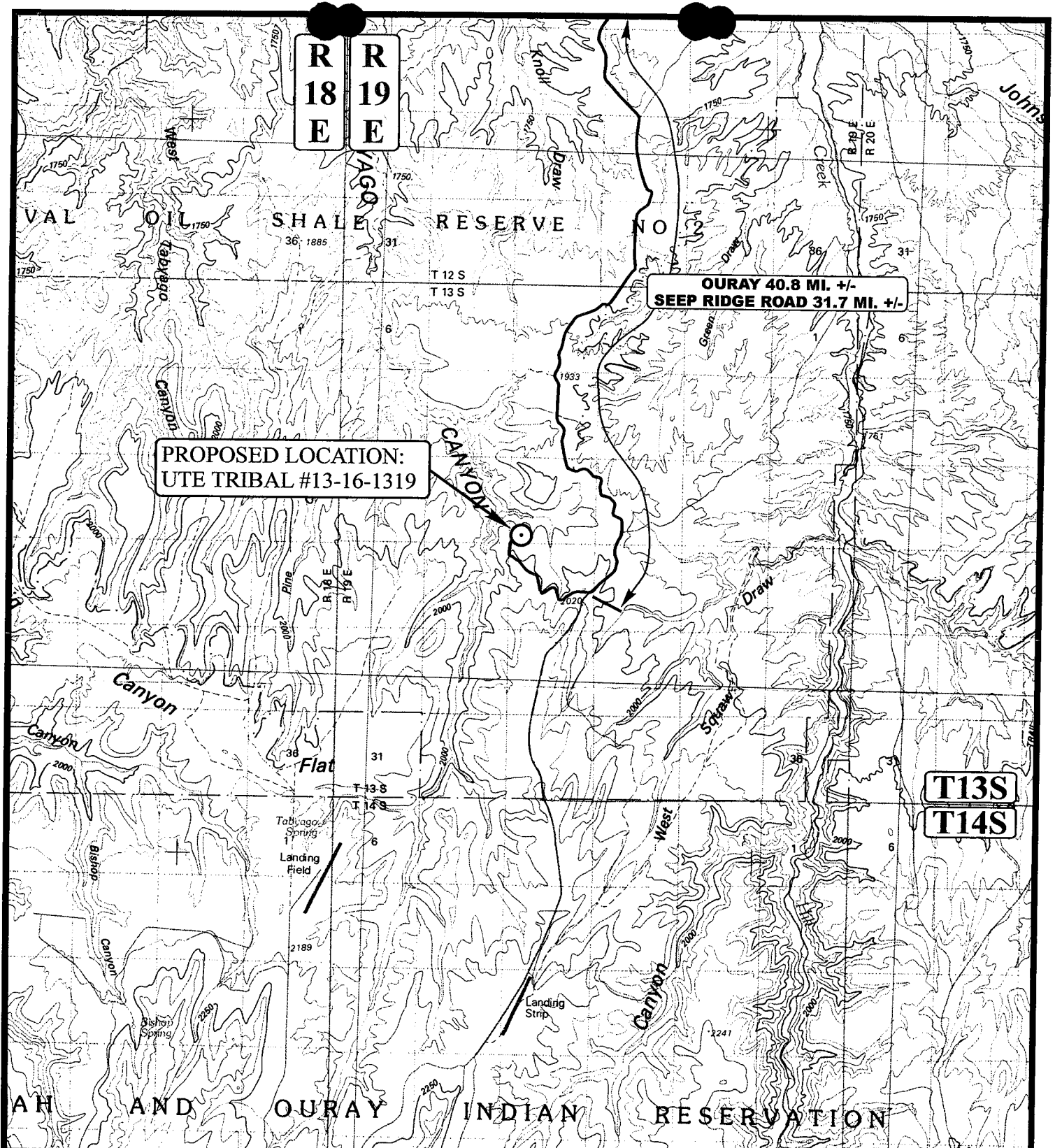
* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 3,860 Cu. Yds.
Remaining Location	= 22,590 Cu. Yds.
TOTAL CUT	= 26,450 CU.YDS.
FILL	= 7,880 CU.YDS.

EXCESS MATERIAL	= 18,570 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,660 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	= 12,910 Cu. Yds.

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LEGEND:

----- PROPOSED ACCESS ROAD
 _____ EXISTING ROAD



UTE/FNR, LLC.

**UTE TRIBAL #13-16-1319
 SECTION 16, T13S, R19E, S.L.B.&M.
 561' FSL 722' FWL**



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
 MAP**

05 06 08
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: Z.L. REVISED: 00-00-00



T13S

OURAY 40.8 MI. +/-
SEEP RIDGE ROAD 31.7 MI. +/-

S H A L E R E S E R V E N O 2

PROPOSED LOCATION:
UTE TRIBAL #13-16-1319

PROPOSED ACCESS 0.35 MI. +/-

U.T.
#1-20

1.1 MI. +/-

0.1 MI. +/-

U.T.
#10-21

R
19
E

LEGEND:

————— EXISTING ROAD
----- PROPOSED ACCESS ROAD

UTE/FNR, LLC.

UTE TRIBAL #13-16-1319
SECTION 16, T13S, R19E, S.L.B.&M.
561' FSL 722' FWL

U
E
L
S

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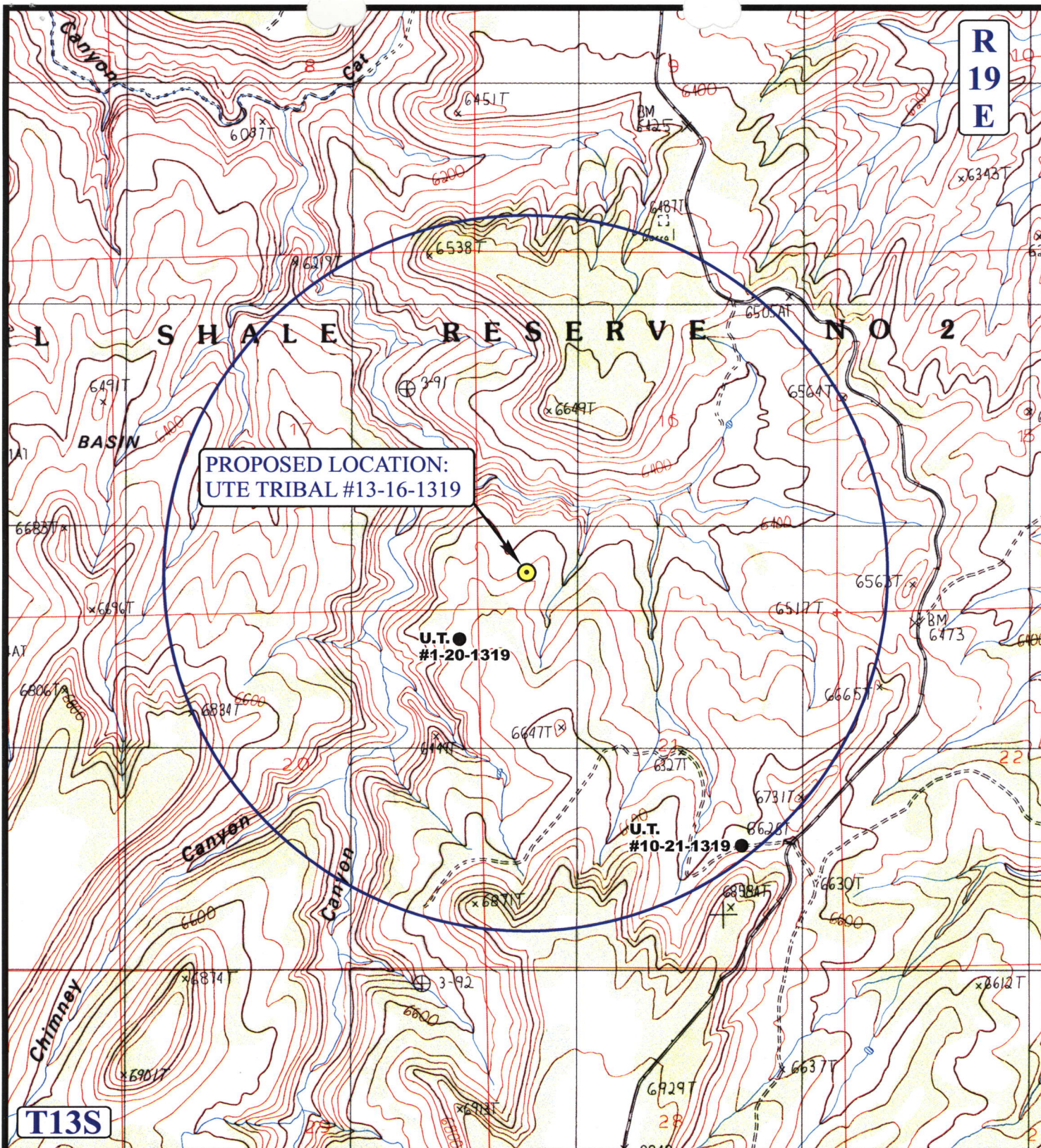


TOPOGRAPHIC
MAP

05 06 08
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

UTE/FNR, LLC.

UTE TRIBAL #13-16-1319
SECTION 16, T13S, R19E, S.L.B.&M.
561' FSL 722' FWL



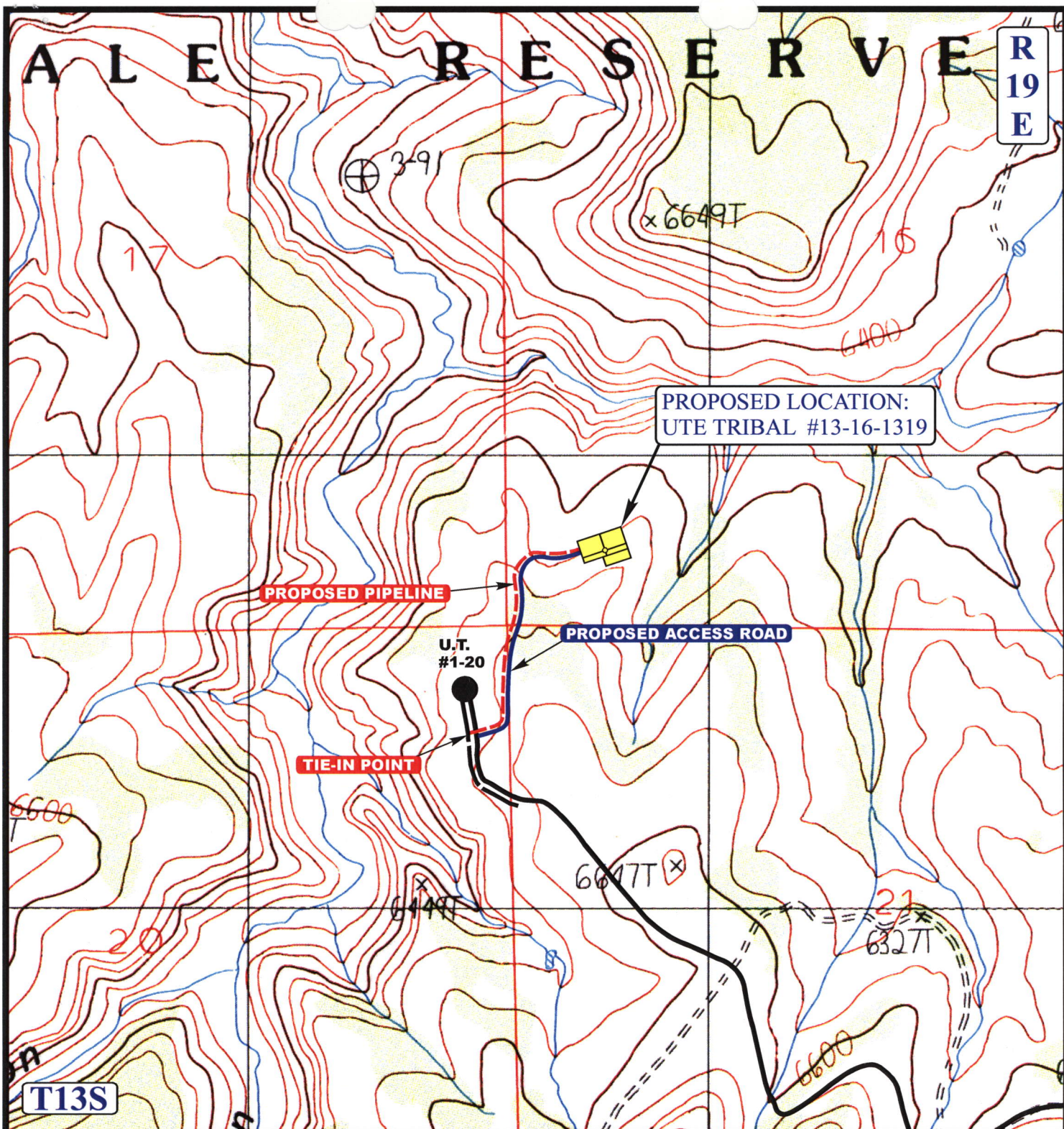
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 06 08
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: Z.L. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,899' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



UTE/FNR, LLC.

**UTE TRIBAL #13-16-1319
SECTION 16, T13S, R19E, S.L.B.&M.
561' FSL 722' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

05 06 08
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: Z.L. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/30/2008

API NO. ASSIGNED: 43-047-40098

WELL NAME: UTE TRIBAL 13-16-1319

OPERATOR: FIML NATURAL RESOURCES, (N2530)

PHONE NUMBER: 303-893-5073

CONTACT: MARK BINGHAM

PROPOSED LOCATION:

SWSW 16 130S 190E

SURFACE: 0561 FSL 0722 FWL

BOTTOM: 0561 FSL 0722 FWL

COUNTY: UINTAH

LATITUDE: 39.68054 LONGITUDE: -109.8016

UTM SURF EASTINGS: 602778 NORTHINGS: 4392779

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DND	7/8/08
Geology		
Surface		

LEASE TYPE: 2 - Indian

LEASE NUMBER: UIT-EDA-001-000

PROPOSED FORMATION: MVRD

SURFACE OWNER: 2 - Indian

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[2] Sta[] Fee[]
(No. 8193-15-93)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. UTE)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: ___
☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___
___ R649-3-11. Directional Drill

COMMENTS: _____

Sup, Separate file

STIPULATIONS: _____

~~1- Fracturing~~
2- Spacing Slp
3- STATEMENT OF BASIS
4- Cement St. p #4 (8 5/8", 4 1/2")

T13S R19E

17

16

15

UTE TRIBAL
13-16-1319 *

UTE TRIBAL
13-15-1319 *

UTE TRIBAL
1-20-1319 *

NAVAL RESERVE FIELD

UTE TRIBAL
5-22-1319 *

21

22

OPERATOR: FIML NAT RES LLC (N2530)

SEC: 16 T.13S R. 19E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 30-MAY-2008

Application for Permit to Drill

Statement of Basis

6/2/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
774	43-047-40098-00-00		GW	I	No
Operator	FIML NATURAL RESOURCES, LLC (FNR)		Surface Owner-APD		
Well Name	UTE TRIBAL 13-16-1319		Unit		
Field	UNDESIGNATED		Type of Work		
Location	SWSW 16 13S 19E S 561 FSL 722 FWL GPS Coord (UTM) 602778E 4392779N				

Geologic Statement of Basis

FIML proposes to set 1,500 feet of surface casing cemented to the surface. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The base of the moderately saline water is estimated at 1,400 feet. The surface formation at the proposed location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales. This location is in a recharge area for the aquifers of the upper Green River Formation and fresh water can be expected to be found in the upper Green River. The proposed casing and cementing program should cover the entire Green River section and adequately protect the Green River aquifer.

Brad Hill

6/2/2008

APD Evaluator

Date / Time

Surface Statement of Basis

The Ute Indian Tribe is the surface owner at this location. The operator is responsible for obtaining any needed permits or rights of way before causing any surface disturbance or drilling.

Brad Hill

6/2/2008

Onsite Evaluator

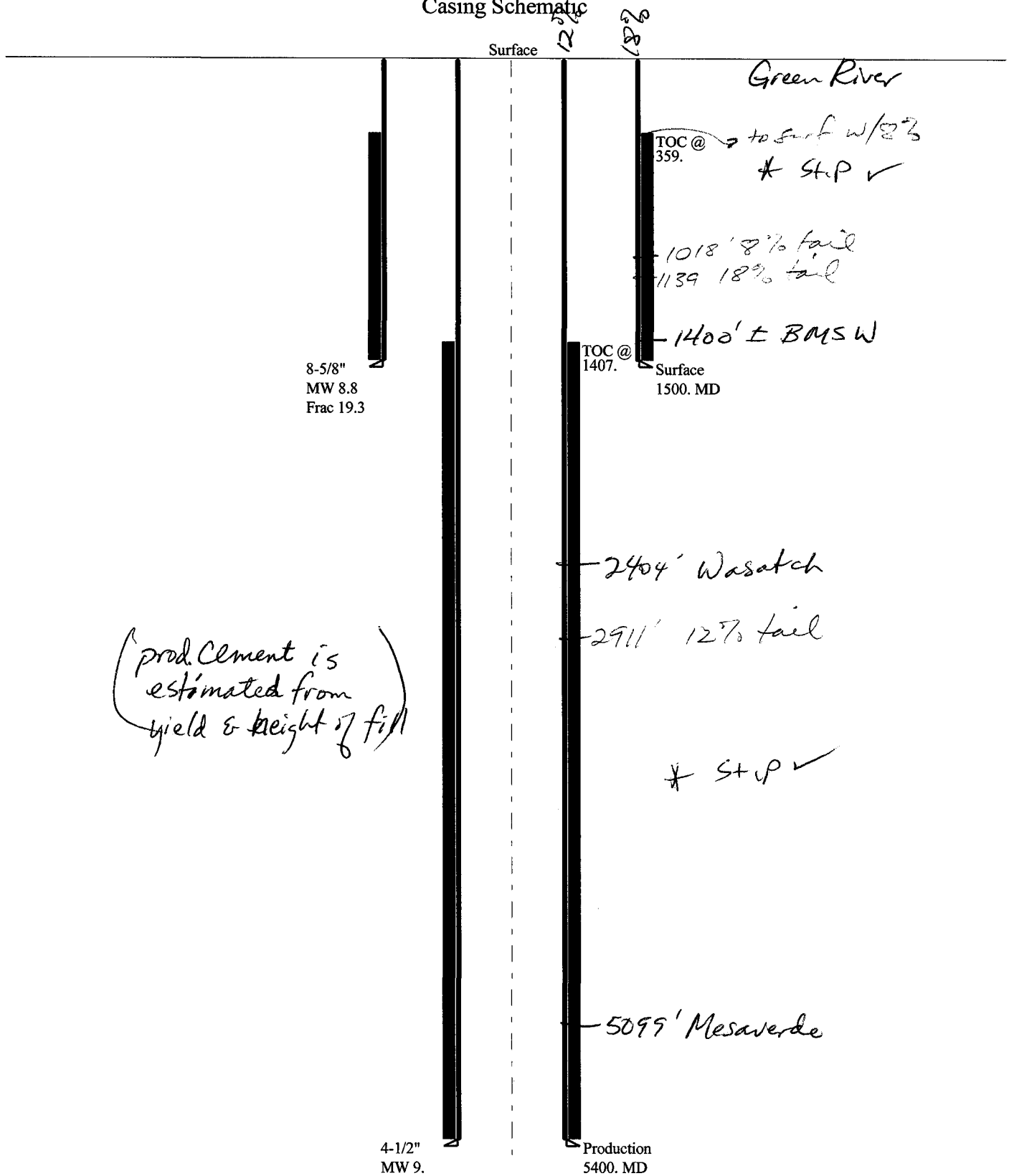
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
	None

2008-06 FIML Ute Tribal 13-13-1319

Casing Schematic



Well name:	2008-06 FIML Ute Tribal 13-16-1319		
Operator:	FIML Natural Resources LLC		
String type:	Surface	Project ID:	43-047-40098
Location:	Uintah County		

Design parameters:
Collapse

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 86 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 359 ft

Burst

Max anticipated surface pressure: 1,320 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,500 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,302 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 5,400 ft
Next mud weight: 9.000 ppg
Next setting BHP: 2,525 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,500 ft
Injection pressure: 1,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	8.625	24.00	J-55	ST&C	1500	1500	7.972	536.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	686	1370	1.998	1500	2950	1.97	31	244	7.81 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 810-359-3940

Date: July 1, 2008
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1500 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

2008-06 FIML Ute Tribal 13-16-1319Operator: **FIML Natural Resources LLC**String type: **Production**

Project ID:

43-047-40098Location: **Uintah County****Design parameters:****Collapse**Mud weight: 9.000 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 141 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 1,407 ft

BurstMax anticipated surface pressure: 1,337 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,525 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)**Non-directional string.**

Tension is based on buoyed weight.

Neutral point: 4,673 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5400	4.5	11.60	I-80	LT&C	5400	5400	3.875	471.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2525	6360	2.519	2525	7780	3.08	54	212	3.91 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & MineralsPhone: 801-538-5357
FAX: 810-359-3940Date: July 1, 2008
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 5400 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW

FIML Ute Tribal 13-16-1319 API 43-047-40098

INPUT

Well Name

FIML Ute Tribal 13-16-1319 API 43-047-40098			
String 1	String 2		
8 5/8	4 1/2		
1500	5400		
40	1500		
8.8	9		
1000	3000		
2950	7780		
2500	8.9 ppg		

Casing Size (")
 Setting Depth (TVD)
 Previous Shoe Setting Depth (TVD)
 Max Mud Weight (ppg)
 BOPE Proposed (psi)
 Casing Internal Yield (psi)
 Operators Max Anticipated Pressure (psi)

Calculations

String 1 8 5/8 "

Max BHP [psi]	.052*Setting Depth*MW =	686	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	506	YES ✓ Air drill to surface surface shoe, rotating head & diverter
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	356	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	365	NO Reasonable depth, no expected pressure offset well
Required Casing/BOPE Test Pressure		1500 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		40 psi	*Assumes 1psi/ft frac gradient

Calculations

String 2 4 1/2 "

Max BHP [psi]	.052*Setting Depth*MW =	2527	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	1879	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	1339	YES
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =	1669	NO O.K.
Required Casing/BOPE Test Pressure		3000 psi	
*Max Pressure Allowed @ Previous Casing Shoe =		1500 psi	*Assumes 1psi/ft frac gradient

Helen Sadik-Macdonald - Ute Tribal 13-16-1319

From: "Parks, Cassandra"
To: "Helen Sadik-Macdonald"
Date: 07/07/2008 1:12 PM
Subject: Ute Tribal 13-16-1319

Helen,

We will set 14" conductor at 40'. For drilling surface we will have a rotating head and diverter, and it will be bolted to cond pipe. Let me know if you need anything else.

Thanks,
Cassie

Cassie Parks
Regulatory Specialist
FIML Natural Resources, LLC
303-893-5090
cassandra.parks@fmr.com



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 9, 2008

FIML Natural Resources, LLC
410 17th St., 9th Floor
Denver, CO 80202

Re: Ute Tribal 13-16-1319 Well, 561' FSL, 722' FWL, SW SW, Sec. 16, T. 13 South,
R. 19 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40098.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: FIML Natural Resources, LLC

Well Name & Number Ute Tribal 13-16-1319

API Number: 43-047-40098

Lease: UIT-EDA-001-000

Location: SW SW **Sec.** 16 **T.** 13 South **R.** 19 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

6. Cement volumes for 8 5/8" and 4 1/2" casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: FIML NATURAL RESOURCES, LLC (FNR)

Well Name: UTE TRIBAL 13-16-1319

Api No: 43-047-40098 Lease Type: INDIAN

Section 16 Township 13S Range 19E County UINTAH

Drilling Contractor PROPETRO DRLG RIG # RATHOLE

SPUDDED:

Date 07/15/08

Time 7:15 AM

How DRY

Drilling will Commence: _____

Reported by CASSANDRA PARKS

Telephone # (303) 893-5090

Date 07/17//08 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORMOperator: FIML Natural Resources, LLCOperator Account Number: N 2530Address: 410 17th Streetcity Denverstate COzip 80202Phone Number: (303) 893-5073**Well 1**

API Number	Well Name	QQ	Sec	Twp	Rng	County
4304740098	Ute Tribal 13-16-1319	SWSW	16	13S	19E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	16984	7/15/2008	7/31/08		
Comments: <i>YIVRB</i>						

CONFIDENTIAL**Well 2**

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Cassandra Parks

Name (Please Print)

Signature

Regulatory Specialist

Title

7/17/2008

Date

RECEIVED

JUL 17 2008

DIV. OF OIL, GAS & MINING

UTE INDIAN TRIBE
DEPARTMENT OF ENERGY AND MINERALS

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form APD for such proposals.

CONFIDENTIAL

FORM
Approved August 2004

5. Lease Serial No. or EDA No.
EDA # UIT-EDA-001-000

6. Tribe Name
Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Ute Tribal 13-16-1319

9. API Well No.
43-047-00971 40098

10. Field and Pool, or Exploratory Area
Wildcat

11. County
Uintah

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
FIML Natural Resources, LLC

3a. Address
410 17th Street, Suite 900 Denver, CO 80202

3b. Phone No. (include area code)
303-893-5090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWSW Sec 16 561' FSL & 722' FWL, T-13S R-19E

13S 19E 16

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the State of Utah. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form Completion shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

7/24/08-Run in 4878' drill pipe. PU 4 jts total pipe. Set plug #1 5001-4799' with 75 sacks class "G" neat cement. Lay down 54 jts to 1584'. Break circulation. Set plug #2 3292-3092' with 75 sacks class "G" neat cement. Lay down 54 jts to 1584'. Break circulation. Set plug #3 at 1584-1384' with 75 sacks class "G" cement with 2% CaCl. Trip out 10 stands circulate. Wait on cement. Pick up singles with kelly tag cement at 1268'. Lay down pipe.

7/25/08-Fluid between plugs was 9 ppg, 50 vis fresh water based mud. Nipple down and tie off BOP stack. Run in 4 stands drill pipe & lay down 6 jts drill pipe. Break kelly down. Pump plug #4: 60' to surface with 30 sacks class "G" neat cement. Wt: 15.8 ppg, yield: 1.16 ft³/sk. Rig down cementers. Clean mud tanks. RDRT. Rig released 7/24/2008 at 14:00 hrs.

7/28/2008-Dig out mouse and rat hole. Attempt to pull mouse and rat hole pipe. Unable to pull either one. Remove cellar ring, cut off 8-5/8" casing, well head, mouse & rat hole all at 3' below ground level. Install dry hole marker with legals. Notified Ute Tribe. No one from Tribe showed up for verification. Filled mouse & rat hole in with fill. Left everything visible for Tribe. Did not back fill until ok'd by Tribe. Cement in surface casing at 7'.

State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cassandra Parks

Title Regulatory Specialist

Signature

Date

07/30/2008

THIS SPACE FOR UTE INDIAN TRIBE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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AUG 1 1 2008

DIV. OF OIL, GAS & MINING

UTE INDIAN TRIBE
DEPARTMENT OF ENERGY AND MINERALS

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form APD for such proposals.

CONFIDENTIAL

FORM
Approved August 2004

5. Lease Serial No. or EDA No.
EDA # UIT-EDA-001-000

6. Tribe Name
Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Ute Tribal 13-16-1319

9. API Well No.
43-047-38971 40098

10. Field and Pool, or Exploratory Area
Wildcat

11. County
Uintah

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
FIML Natural Resources, LLC

3a. Address
410 17th Street, Suite 900 Denver, CO 80202

3b. Phone No. (include area code)
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SWSW Sec 16 561' FSL & 722' FWL, T-13S R-19E

13S 19E 16

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TYPE OF SUBMISSION	TYPE OF ACTION			
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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Composite
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Operations
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Report

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the State of Utah. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form Completion shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached is the composite operations report.

State of Utah , Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cassandra Parks

Title Regulatory Specialist

Signature

Date

07/31/2008

THIS SPACE FOR UTE INDIAN TRIBE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

RECEIVED

AUG 11 2008

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Date	Operation	Start Time	End Time	Start Depth	End Depth	Remarks
	23 - Other			5393	5393	
7/29/2008	Johana Jack w/ Ute Tribe Okayed dry hole markers on 9-32-1319 and 13-16-1319 on this day @ 1430 hrs. Called Rebel field service and told them to back fill both cellars. Key Energy said should have rig on loc tomorrow afternoon sometime. Will keep Denver up to date on progress.					
	23 - Other			5393	5393	

Casing

Date In	Type	Hole Diam	Size	Weight	Grade	Top	Set Depth	Total Jts Run	Total Csg Footage	TD
7/17/2008	Surface	12.25	8.625	24.00	J-55	0.00	1,484.00	33	0.00	1,495.00

Cement

Csg Type	Date In	Stage Type	Grade	Desc.	Vol	Sks	PPG	MWR	Slry Yield
Surface	7/17/2008	Lead	class v		0	240	11	23	3.82
Surface	7/17/2008	Tail	Class G	2% CACL2, .25 pps flocele	0	200	15.8	5	1.15
Surface	7/17/2008	Top Out	Class G	2% CACL2, .25 pps flocele	0	100	15.8	5	1.15

Date	Operation	Start Time	End Time	Start Depth	End Depth	Remarks
	21 - Other	3:30 PM	6:00 PM	5393	5393	Circ. RU LD machine & cementers
	21 - Other	6:00 PM	7:00 PM	5393	5393	Set plug #1 5001-4799' w/ 75 sxs class "G" neat cmt
	21 - Other	7:00 PM	8:00 PM	5393	5393	LD 54 jts to 1584'
	21 - Other	8:00 PM	8:30 PM	5393	5393	Break circ. Set plug #2 3292-3092' w/ 75 sxs class "G" neat cmt
	21 - Other	8:30 PM	9:30 PM	5393	5393	LD 54 jts to 1584'
	21 - Other	9:30 PM	10:30 PM	5393	5393	Break circ. Set plug #3 @ 1584-1384' w/ 75 sxs class "G" cmt w/ 2% CaCl
	21 - Other	10:30 PM	3:30 AM	5393	5393	Trip out 10 stands circ & WOC
	21 - Other	3:30 AM	4:30 AM	5393	5393	PU singles w/ kelly tag cmt @ 1268'
	21 - Other	4:30 AM	6:00 AM	5393	5393	LD pipe

7/25/2008

Fluid between plugs was 9 ppg, 50 vis fresh water based mud.

Casing information:

All of these jts had bad pins:

1 jt 8-5/8" from UT 9-32-1319 44.30 @ Stewart machine in Vernal, UT
 1 jt 8-5/8" from UT 9-32-1319 44.09 @ Stewart machine in Vernal, UT
 1 jt 8-5/8" from UT 13-16-1319 44.59 @ Stewart machine in Vernal, UT

4-1/2", 11.6#, I-80, LT&C condition A casing string will be returned to B&L storage yard in Grand Junction, CO on 7/25/2008 for credit.

Frontier rig 4 will move to another operator on Sunday 7/27/08.

01 - Rig Up & Tear Down	6:00 AM	7:30 AM	5393	5393	ND and tie off BOP stack
01 - Rig Up & Tear Down	7:30 AM	8:00 AM	5393	5393	Run in 4 stands DP and LD 6 jts DP
01 - Rig Up & Tear Down	8:00 AM	9:00 AM	5393	5393	Break Kelly down
01 - Rig Up & Tear Down	9:00 AM	10:30 AM	5393	5393	Pump plug #4: 60' to surface with 30 sacks class G neat cement. Wt 15.8 ppg, Yield 1.16 ft3/sk. RD cementers.
01 - Rig Up & Tear Down	10:30 AM	2:00 PM	5393	5393	Clean mud tanks.
01 - Rig Up & Tear Down	2:00 PM	6:00 AM	5393	5393	RDRT. Rig released at 14:00 hours, MST, 7/24/2008.

7/28/2008

Dig out Mouse hole, Rat hole, attempt to pull mouse and rat hole pipe. Unable to pull either one. Remove cellar ring, cut off 8 5/8" casing, well head, mouse hole, & rat hole all @ 3' below ground level. Install dry hole marker w/ legals. Notified Ute tribe @ 0930 hrs about work. No one w/ tribe showed up for verification. Filled mouse hole and rat hole in w/ fill. Left everything visible for Ute Tribe. Did not back fill till okayed by tribe. Cement in surface casing @ 7 ft.

Mouse hole, rat hole, and cellar ring were hauled to town w/ Rebel field services

Date	Operation	Start Time	End Time	Start Depth	End Depth	Remarks
	10 - Deviation Survey	11:30 PM	12:00 AM	2560	2560	Dev survey @ 2560' @ @ 2.5°
	10 - Deviation Survey	12:00 AM	4:30 AM	2560	3115	Drl f/ 2560-3115'
	10 - Deviation Survey	4:30 AM	5:00 AM	3115	3115	Dev survey @ 3115', misrun.
	10 - Deviation Survey	5:00 AM	5:30 AM	3115	3140	Drl f/ 3115-3140'
	10 - Deviation Survey	5:30 AM	6:00 AM	3140	3140	Dev survey @ 3140' @ 2.5°
7/22/2008	Start mud up @ 4500'					
	02 - Drilling	6:00 AM	11:30 AM	3140	3735	Drl f/ 3140-3735'
	02 - Drilling	11:30 AM	12:00 PM	3735	3735	Dev survey @ 3665' @ 2.5°
	02 - Drilling	12:00 PM	3:30 PM	3735	4116	Drl f/ 3735-4116'
	02 - Drilling	3:30 PM	4:00 PM	4116	4116	Rig service
	02 - Drilling	4:00 PM	5:30 PM	4116	4246	Drl f/ 4116-4246'
	02 - Drilling	5:30 PM	6:00 PM	4246	4246	Dev survey @ 4160' @ 2.75°
	02 - Drilling	6:00 PM	12:00 AM	4246	4748	Drl f/ 4246-4748'
	02 - Drilling	12:00 AM	12:30 AM	4748	4748	Dev survey @ 4674'. Misrun.
	02 - Drilling	12:30 AM	1:00 AM	4748	4779	Drl f/ 4748-4779'
	02 - Drilling	1:00 AM	1:30 AM	4779	4779	Dev survey @ 4706' @ 2.0°
	02 - Drilling	1:30 AM	6:00 AM	4779	5105	Drl f/ 4779-5105'
7/23/2008						
	11 - Wire Line Logs	6:00 AM	3:00 PM	5105	5400	Drl f/ 5105-5400'
	11 - Wire Line Logs	3:00 PM	4:00 PM	5400	5400	Circ f/ wiper trip to shoe
	11 - Wire Line Logs	4:00 PM	8:00 PM	5400	5400	Wiper trip to shoe
	11 - Wire Line Logs	8:00 PM	9:30 PM	5400	5400	Circ f/ logs
	11 - Wire Line Logs	9:30 PM	2:30 AM	5400	5400	Trip out f/ logs
	11 - Wire Line Logs	2:30 AM	6:00 AM	5400	5393	RU loggers & log. LTD: 5393'
7/24/2008						
	21 - Other	6:00 AM	6:30 AM	5393	5393	RD loggers.
	21 - Other	6:30 AM	12:00 PM	5393	5393	Trip in w/ BHA. WO orders.
	21 - Other	12:00 PM	1:00 PM	5393	5393	LD BHA.
	21 - Other	1:00 PM	3:30 PM	5393	5393	Run in 4878' drl pipe. PU 4 jts tot pipe 5001' f/ plug #1

Date	Operation	Start Time	End Time	Start Depth	End Depth	Remarks
7/17/2008	1 8-5/8" Weatherford regular guide shoe			1.00		
	1 jt 8-5/8", 24#, J-55, ST&C condition A Ipsco csg			44.09		
	1 8-5/8" Weatherford float collar			1.00		
	32 jts 8-5/8", 24#, J-55, ST&C condition A Ipsco csg			1426.77		
	33 jts Total		Total	1472.86		
			KB correction	11.14		
			Casing set at KBM	1484.00		
			Float Collar at	1437.91		
Pumped 80 bbls fresh water and 20 bbls gelled water. Cemented lead slurry with 240 sacks (163.20 bbls) Hy-fill, type V cement. Wt 11.0 ppg, Yield 3.82 ft3/sk, MWR 23 gps.						
Tailed in with 200 sacks (40.9 bbls) class G cement containing 2% CACL2 and .25 pps flocele. Displaced cement with 93 bbls fresh water. Plug down with 910 psi (500 psi over) at 18:47 hours, MST, 7/16/2008. Float held ok. Circulated 50 bbls cement to surface. Cement fell back.						
Ran 1" pipe to 200' and topped out with 100 sacks (20.4 bbls) class G cement containing 4% CACL2 and .25 pps flocele. Wt 15.8 ppg, Yield 1.15 ft3/sk, MWR 5 gps. TOC remained at surface.						
	12 - Run Casing & Cement			1495	1495	RU Petro Pro. Cemented surface casing.
7/20/2008						
	21 - Other	6:00 AM	6:00 PM	1495	1495	MIRURT.
	21 - Other	6:00 PM	8:00 PM	1495	1495	NU BOPE
	21 - Other	8:00 PM	5:00 AM	1495	1495	Tst BOP. Blw nipple & valve out of WH. Got Wellhead Inc to loc. Tapped out WH & welded nipple in. Tstd good.
	21 - Other	5:00 AM	6:00 AM	1495	1495	Pick up BHA.
7/21/2008	Drilled out f/ under surface @ 13:30 hrs (MST), 7/20/2008.					
	Start reaming each connection.					
	10 - Deviation Survey	6:00 AM	11:00 AM	1495	1495	Pick up BHA & 26 jts. Drl pipe tag cmt @ 1325'.
	10 - Deviation Survey	11:00 AM	1:00 PM	1495	1495	Drl shoe track f/ 1440-1484'
	10 - Deviation Survey	1:00 PM	1:30 PM	1495	1495	Dev survey @ 1440' @ 1.0°
	10 - Deviation Survey	1:30 PM	4:00 PM	1495	1870	Drl f/ 1484-1870'
	10 - Deviation Survey	4:00 PM	4:30 PM	1870	1870	Rig service
	10 - Deviation Survey	4:30 PM	6:30 PM	1870	2060	Drl f/ 1870-2060'
	10 - Deviation Survey	6:30 PM	7:00 PM	2060	2060	Dev survey @ 2060' @ 1.0°
	10 - Deviation Survey	7:00 PM	9:30 PM	2060	2404	Drl f/ 2060-2404'
	10 - Deviation Survey	9:30 PM	10:00 PM	2404	2404	Change fuel filters.
	10 - Deviation Survey	10:00 PM	11:30 PM	2404	2560	Drl f/ 2404-2560'



Ute Tribal 13-16-1319

Well History Report

Cultural Data GWiz Number: UT.0014.064 API Number: Rig Name: Frontier 4
County: Uintah, UT Section: 16 Twp/Abstract: 13S Block: Range: 19E Qtr1: SW Qtr2: SW Qtr3:

Dates at a Glance

Spud: 7/15/2008 Rig Release: 7/24/2008 First Production: First Sales:

Depths at a Glance

Proposed TD: TD Drill: 0 TD Log: 0 PBTD: 0

Drilling

Date	Operation	Start Time	End Time	Start Depth	End Depth	Remarks
7/12/2008	01 - Rig Up & Tear Down			0	40	MIRU Pete Martin Rat hole machine. Drilled mouse hole and rat holes. Drilled 20" hole to 40' and set 14" conductor at 40' GLM. Cemented with 2-1/2 yards Ready Mix.
7/16/2008	Pro-Petro spud the 12-1/4" surface hole @ 14:00 hrs (MST), 7/15/2008.					
	02 - Drilling	2:00 PM		0	1495	MIRU Petro pro air rig. Spud 12-1/4" hole at 14:00 hours, MST, 7/15/2008. Drilled 12-1/4" hole to 1495' GLM. Ran 33 jts (1472.86') 8-5/8", 24#, J-55, ST&C Condition A Ipsco casing. Set casing at 1473' GLM, 1484 KBM.

Form
Completion

Ute Indian Tribe Department of Energy and Minerals

July, 2005

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. EDA # UIT-EDA-001-000
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other _____		6. If Indian, Allottee or Tribe Name Ute Tribe
2. Name of Operator FIML Natural Resources, LLC		7. Unit or CA Agreement Name and No. NA
3. Address 410 17th Street, Suite 900 Denver, CO 80202		8. Lease Name and Well No. Ute Tribal # 13-16-1319
3a. Phone No. (include area code) 303-893-5090		9. AFI Well No. 43-047-40098
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SW/4 SW/4 561' FSL & 722' FWL Sec 16 T-13S, R-19E At top prod. interval reported below Same as above At total depth Same as above		10. Field and Pool, or Exploratory Wildcat
14. Date Spudded 07/15/2008		11. Sec., T., R., M., on Block and Survey or Area SLB&M Sec 16 T-13S, R-19E
15. Date T.D. Reached 07/23/2008		12. County or Parish Uintah
16. Date Completed 07/28/2008 <input checked="" type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod.		13. State UT
17. Elevations (DF, RKB, RT, GL)* GL 6,433'		

18. Total Depth: MD 5393' TVD 5393'	19. Plug Back T.D.: MD 7' TVD 7'	20. Depth Bridge Plug Set: MD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Spectral Density/Dual Spaced Neutron; mud, AIR		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24.0		1484'		240 Hi-Fill	163.2		
						200 Class G	40.9		
						100 Class G	20.4	Surface	

24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	

25. Producing Intervals				26. Perforation Record			
Formation	Top	Bottom		Perforated Interval	Size	No. Holes	Perf. Status
A)							
B)							
C)							
D)							

27. Acid, Fracture, Treatment, Cement Squeeze, etc.	
Depth Interval	Amount and Type of Material
0-60'	P&A plug cemented with 30 sx (6.1 bbl) class "G" neat cement
1384-1584'	P&A plug cemented with 75 sx (15.4 bbl) class "G" neat cement
3092-3292'	P&A plug cemented with 75 sx (15.4 bbl) class "G" neat cement
4799-5001'	P&A plug cemented with 75 sx (15.4 bbl) class "G" neat cement

28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth

32. Additional remarks (include plugging procedure):

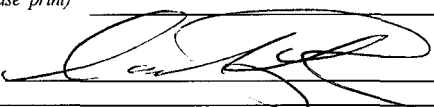
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
☒ Other: Mudlog. Hard copies of all logs accompany this form.

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

Name (please print) Cassandra ParksTitle Regulatory Specialist

Signature


Date 08/28/2008

Earlene Russell - Drill Permits in the "Naval Reserve"

From: Earlene Russell
To: Elaine Winick; Mark Bingham
Date: 5/12/2010 10:28 AM
Subject: Drill Permits in the "Naval Reserve"
CC: Brad Hill; Diana Mason; Jean Sweet; Randy Thackeray
Attachments: Naval Reserve Bond.pdf

Dear Elaine and Mark,

Years ago the "Naval Reserve Area" was given to the Tribe by the United States Government as FEE SIMPLE property and it includes the minerals. A separate blanket bond was provided by FIML for these wells. DOGM monitors the permitting for this area to insure the wells are properly cased, etc.

The APDs FIML submits in this area (Uintah County, Townships 12S and 13S, Range 19E) should be submitted as Fee minerals, rather than Indian minerals. The bond number for the wells in the Naval Reserve is bond number 81918314 (copy attached) and bond type is State/Fee (5).

Based on the above information, DOGM's database has been changed to show fee minerals and the bond number 81918314. This includes the two new pending permits "Horn Frog".

If you have any questions, please call me at (801) 538-5336.

Earlene Russell
Division of Oil, Gas & Mining
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Salt Lake City, UT 84114-5801
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